



OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING DATE: 9/23/15

**CONTROL
NO:**

ITEM NO: 4

SUBJECT: RESOLUTION NO. OB 15-43

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A PROPOSED ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2016 THROUGH JUNE 30, 2016 AND TAKING CERTAIN RELATED ACTIONS

FROM: Successor Agency to the Artesia Redevelopment Agency

PRESENTATION BY: Justine Menzel, Deputy Executive Director

RECOMMENDATION

Approval of Administrative Budget for January 1, 2016 through June 30, 2016.

BACKGROUND

Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (the "Redevelopment Dissolution Law"), the Successor Agency must prepare a proposed administrative budget and a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period, both of which must be submitted to the Oversight Board for approval. Each proposed administrative budget must include all of the following: (1) estimated amounts for Successor Agency administrative costs for the applicable six-month fiscal period; (2) proposed sources of payment for the administrative costs; and (3) proposals for arrangements for administrative and operations services provided by the City or other entity.

The Redevelopment Dissolution Law is unclear regarding the required timing for the submission of the proposed administrative budget for the period January 1, 2016 through June 30, 2016 (*i.e.*, the second half of fiscal year 2015-16) ("Administrative Budget 15-16B") to the Oversight Board. However, because the Successor's Agency's administrative expenditures also have to be reflected on the ROPS, Administrative Budget 15-16B and the ROPS for the same period ("ROPS 15-16B") should be consistent.

The Successor Agency is required to submit ROPS 15-16B to the Oversight Board for approval and then submit the Oversight Board-approved ROPS 15-16B to the State Department of Finance, State Controller and the County Auditor-Controller no later than October 5, 2015. Staff has prepared a ROPS 15-16B for the Oversight Board's approval at this meeting as a separate agenda item. Staff recommends that the Board approve Administrative Budget 15-16B on the same date as the Board's approval of ROPS 15-16B, which is the previous item on the agenda. The Oversight Board must take action by resolution and must provide DOF, by electronic means, written notice and information about the Oversight Board's action.

FISCAL IMPACT

Under the Redevelopment Dissolution Law, an "Administrative Cost Allowance" is paid to the Successor Agency from property tax revenues allocated by the County Auditor-Controller. The Administrative Cost Allowance is defined as an amount, subject to the approval of the Oversight Board, which is up to 3% of the property tax allocated for enforceable obligations from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller. The amount shall not be less than \$250,000 for any fiscal year unless the Oversight Board reduces this amount. The Administrative Cost Allowance is subject to reduction if there are insufficient funds to pay the enforceable obligations as listed on the ROPS.

BOARD ACTION

Staff recommends that the Oversight Board for the Successor Agency to the Artesia Redevelopment Agency adopt Resolution No. OB 15-43, approving a proposed administrative budget for the six-month fiscal period from January 1, 2016 through June 30, 2016 and taking certain related actions.

ATTACHMENT

Resolution No. OB 15-43

PROPOSED ADMINISTRATIVE BUDGET

Per AB 26 - Section 34177 (j)*

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2015-2016**	Funding Source***	Payable from Successor Agency Funds Administrative Allowance****1							
							6 month estimated amounts for January - June 2016							
													Jan-Jun	Total
1)	Salaries/benefits	Employees of City/Agency	Payroll for admin./oper. of agency	4,003,648.00	168,000.00	RPTTF/AA							84,000.00	\$ 84,000.00
2)	Rent	City of Artesia	Overhead, utilities, supplies, insurance,...	5,197,500.00	165,000.00	RPTTF/AA							82,500.00	\$ 82,500.00
3)	Legal services	Richards, Watson,.....	Legal fees for agency	1,930,000.00	40,000.00	RPTTF/AA							20,000.00	\$ 20,000.00
4)	Contract services	Kelly Associates Mgmt Grp	Professional project/housing services	0.00	0.00	RPTTF/AA							0.00	\$ -
5)	Lobbyist	Cline & Duplissea	Lobbyist services	92,250.00	3,000.00	RPTTF/AA							1,500.00	\$ 1,500.00
6)	Business resources	Artesia Chamber of Comm	Business Resource Assistance	93,000.00	3,000.00	RPTTF/AA							1,500.00	\$ 1,500.00
7)	Accounting services	Deb's Bookkeepplus	Specialized accounting/reporting	118,568.00	3,000.00	RPTTF/AA							1,500.00	\$ 1,500.00
8)	Auditors	White Nelson Diehl Evans	CPAs for financial audit of agency	114,162.00	4,333.00	RPTTF/AA							4,333.00	\$ 4,333.00
9)	Oversight Board	CJPIA	Special Liability Insurance Program	1,400.00	1,400.00	RPTTF/AA							1,400.00	\$ 1,400.00
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Totals - Other Obligations				\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
Grand total - All Pages				\$ 11,550,528.00	\$ 387,733.00		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,733.00	\$ 196,733.00	

*Requires approval of Oversight Board

**All total due during fiscal year and payment amounts are projected

***Funding sources from the successor agency RPTTF/AA - Redevelopment Property Tax Trust Fund/Administrative Allowance

****Administrative Cost Allowance

1 - Administrative and operations services are proposed to be provided by the City pursuant to a cooperative agreement with the Successor Agency

RESOLUTION NO. OB 15-43

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RECITALS:

A. Pursuant to Health and Safety Code Section 34177(j), the Successor Agency to the Artesia Redevelopment Agency (the "Successor Agency") must prepare a proposed administrative budget for each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed administrative budget to the Oversight Board for the Successor Agency (the "Oversight Board") for approval.

B. There has been presented to this Board for approval a proposed administrative budget for the Successor Agency for the six-month fiscal period from January 1, 2016 through June 30, 2016 ("Administrative Budget 15-16B").

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the proposed Administrative Budget 15-16B substantially in the form attached hereto as Exhibit A and specifically with respect to expenditures from January 1, 2016 through June 30, 2016.

Section 3. The staff of the Successor Agency is hereby directed to provide the State Department of Finance ("DOF") written notice and information regarding the action taken by the Oversight Board in Section 2 of this Resolution. Such notice and information shall be provided by electronic means and in a manner of DOF's choosing.

Section 4. The members of the Oversight Board and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

PASSED, APPROVED AND ADOPTED this 23rd day of September, 2015.

AYES:

NOES:

ABSENT:

ABSTAIN:

Kathrin Wardle, VICE CHAIR

ATTEST:

Gloria Considine, SECRETARY
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
ARTESIA REDEVELOPMENT AGENCY

EXHIBIT A

**SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY
ADMINISTRATIVE BUDGET
(January 1, 2016 through June 30, 2016)**